

that it will comply with the requirements of section 272.” New York Order ¶ 403; Massachusetts Order ¶ 227.

**A. Verizon’s Separate Affiliates Comply Fully with the Structural and Transactional Requirements of Section 272(b).**

Verizon’s 272 Affiliates are operated as independent carriers and conduct business with Verizon (and all of its other local BOC affiliates) on an arm’s length basis. Accordingly, the 272 Affiliates comply with the five requirements of section 272(b): First, the 272 Affiliates will operate independently as required by section 272(b)(1); second, the 272 Affiliates will maintain separate books, records, and accounts; third, the 272 Affiliates will have separate officers, directors, and employees; fourth, the 272 Affiliates will not obtain credit under any arrangement that would permit a creditor to have recourse to the assets of Verizon; finally, Verizon will use the same practices to ensure that transactions between it and the 272 Affiliates will be conducted on an arm’s-length basis, reduced to writing, and available for public inspection. See Browning Decl. ¶¶ 5-15 & Atts. A-F; Fuglie Decl. ¶¶ 4-21; App. D, Tab 1; New York Order ¶¶ 406, 408-414.<sup>72</sup>

**B. Verizon Will Comply with the Non-Discrimination Safeguards of Section 272(c).**

The Commission’s finding in New York and Massachusetts that Verizon “will comply with section 272(c)(1)” applies equally to Connecticut. See New York Order ¶¶ 417-418;

---

<sup>72</sup> As explained below, Verizon also meets the requirements of section 272(c). See Implementation of the Telecommunications Act of 1996: Accounting Safeguards Under the Telecommunications Act of 1996, Report and Order, 11 FCC Rcd 17539, ¶ 170 (1996). Certain accounting and record-keeping services for each of Verizon’s 272 Affiliates are performed by other affiliated centralized services companies that are not separated under section 272. See Browning Decl. ¶¶ 5,13; see also App. D, Tab 1, ¶ 14e. The Commission has made clear, however, that such shared-service arrangements are permitted. See Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended, First Report and Order and Further Notice of Proposed Rulemaking, 11 FCC Rcd 21905, ¶¶ 168, 178-186 (1996).

Massachusetts Order ¶ 228. Specifically, as in New York and Massachusetts, Verizon will not discriminate between the 272 Affiliates and any other entity in the provision or procurement of goods, services, facilities, and information, or in the establishment of standards. See Browning Decl. ¶ 5.

For the same reason, the Commission’s finding that Verizon has “demonstrate[d] that its BOCs account for all transactions with its section 272 affiliates in accordance with the accounting principles designated or approved by the Commission” also applies to Connecticut. New York Order ¶ 415. As in New York and Massachusetts, Verizon will account for any transactions with the Long Distance Affiliates as required by section 272(c)(2) and will fully comply with the Commission’s cost allocation and affiliate transaction rules. See Browning Decl. ¶ 5.

**C. Verizon Will Comply with the Audit Requirements of Section 272(d).**

Verizon also “will comply with section 272(d), which requires an independent audit of a BOC’s compliance with section 272 after receiving interLATA authorization.” New York Order ¶ 416; Massachusetts Order ¶ 228. As in New York and Massachusetts, Verizon has mechanisms in place for retaining independent auditors and making records available to verify compliance with the Commission’s rules in order to comply with section 272(d). See Browning Decl. ¶ 5.

**D. Verizon Will Fulfill All Requests in Accordance with Section 272(e).**

Verizon will not discriminate in favor of its 272 Affiliates with respect to requests for telephone exchange and exchange access services. See New York Order ¶ 418; Massachusetts Order ¶ 229. First, Verizon will fulfill requests for telephone exchange and exchange access services from unaffiliated entities within the same time period in which Verizon fulfills such requests for its own retail operations. See 47 U.S.C. § 272(e)(1); Browning Decl. ¶ 5 & Att. C.

Second, Verizon will not provide any facilities, services, or information concerning the provision of exchange access to its Long Distance Affiliates unless such facilities, services, or information are made available to other providers of interLATA service on the same terms and conditions.

See 47 U.S.C. § 272(e)(2); Browning Decl. ¶ 5 & Att. E. Third, Verizon will charge its Long Distance Affiliates or impute to itself (if using access for the provision of permitted interLATA services of its own) an amount for telephone exchange and exchange access services that is no less than the amount charged to unaffiliated interexchange carriers for such service. See 47 U.S.C. § 272(e)(3); Browning Decl. ¶ 5 & Att. E. Fourth, Verizon will provide interLATA or intraLATA facilities or services to the Long Distance Affiliates only if such services or facilities are made available to all carriers at the same rates and on the same terms and conditions. See 47 U.S.C. § 272(e)(4); Browning Decl. ¶ 5.

**E. Verizon and Its Affiliates Will Comply with the Joint Marketing Provisions of Section 272(g).**

As in New York and Massachusetts, Verizon will comply with the requirements of section 272(g) in Connecticut. See New York Order ¶ 419; Massachusetts Order ¶ 228. Specifically, Verizon's 272 Affiliates will not market or sell local exchange service provided by Verizon except to the extent that Verizon permits non-affiliated long distance carriers to do the same. See Browning Decl. ¶ 5. Moreover, Verizon will not market or sell interLATA service provided by its Long Distance Affiliates in an in-region state until Verizon has received authorization to provide such service in that state. See id.

While Verizon plans to market its services jointly with those of its Long Distance Affiliates, as permitted by section 272(g)(3), the Commission has made clear that submission of a joint marketing script is not a requirement of an application under section 271. See New York Order ¶ 419. The D.C. Circuit affirmed that decision, expressly holding that the

nondiscrimination requirements of section 272(c)(1) do not apply to joint marketing under section 272(g)(3). See AT&T Corp. v. FCC, 220 F.3d at 632. Verizon also plans to permit the sharing of Customer Proprietary Network Information (“CPNI”) with its Long Distance Affiliates in accordance with 47 U.S.C. § 222 and the Commission’s holdings that CPNI is not subject to section 272(c). See Browning Decl. ¶ 5.<sup>73</sup>

**F. Verizon’s Compliance Program Will Ensure Satisfaction of Its Obligations Under Section 272.**

Finally, the Commission found that Verizon had “demonstrate[d] that each affiliate has implemented internal control mechanisms to prevent, as well as detect and correct, any noncompliance with section 272.” New York Order ¶ 405; see Massachusetts Order ¶ 228. Verizon will continue its compliance efforts, which are designed to ensure compliance with the requirements of section 272. See Browning Decl. ¶¶ 5, 15; Fuglie Decl. ¶¶ 16-21. For example, Verizon has established an Affiliate Transactions Compliance Office (“ATCO”), which centralizes the corporation’s compliance efforts, reviews affiliate transactions, maintains Verizon’s Affiliate Transactions Policy, and conducts employee training on section 272 compliance. See Browning Decl. ¶ 5; App. D, Tab 1, ¶¶ 34-36.

---

<sup>73</sup> See also Implementation of the Telecommunications Act of 1996: Telecommunications Carriers’ Use of Customer Proprietary Network Information and Other Customer Information, Second Report and Order and Further Notice of Proposed Rulemaking, 13 FCC Rcd 8061 (1998) (“CPNI Order”); Implementation of the Telecommunications Act of 1996: Telecommunications Carriers’ Use of Customer Proprietary Network Information and Other Customer Information, Order on Reconsideration and Petitions for Forbearance, 14 FCC Rcd 14409 (1999) (“CPNI Reconsideration Order”). Although in U.S. WEST, Inc. v. FCC, 182 F.3d 1224 (10th Cir. 1999), cert. denied, 530 U.S. 1213 (2000), the Tenth Circuit vacated the CPNI Order on other grounds, the portion of the CPNI Order concluding that section 272(c)(1) does not apply to CPNI was never challenged before the Tenth Circuit and therefore remains the relevant law on the subject. See AT&T Corp. v. New York Tel., File No. EB-00-MD-011, FCC 00-362 (rel. Oct. 6, 2000).

#### **IV. APPROVING VERIZON’S APPLICATION IS IN THE PUBLIC INTEREST.**

The evidence is overwhelming that granting Verizon authority to provide long distance service in Connecticut is in the public interest.

First, the local markets in Greenwich and Byram are unquestionably open to the exact same degree as in New York, where competition is thriving. As Verizon’s experience in New York unambiguously demonstrates, Verizon’s entry into the long distance market in Connecticut will further promote local competition there.

Second, mechanisms are in place to ensure that the local market will remain open after Verizon’s entry. Verizon’s rates for unbundled network elements in Greenwich and Byram are identical to those in New York, which the Commission has already approved as consistent with TELRIC. In addition, Verizon is required to import to Connecticut any changes to the New York rates. Verizon reports its performance in Connecticut under the same strict performance standards that the New York PSC established and continues to revise, and has submitted a comprehensive performance assurance plan that mirrors the plan adopted in New York.

Finally, Verizon’s entry will greatly enhance long distance competition. Verizon’s provision of long distance service in New York provides empirical proof that Bell company entry into long distance leads to lower prices and increased demand for long distance service.

##### **A. Local Competition in Greenwich and Byram Is Already Thriving, and Verizon’s Entry Will Increase Local Competition Further Still.**

Local markets in Greenwich and Byram are unquestionably open to competition.<sup>74</sup>

Across Verizon’s local service territory in Connecticut there is competition from all types of

---

<sup>74</sup> Verizon disagrees as a legal matter that the Commission may conduct any analysis of local competition in its public-interest inquiry. Under the terms of the Act, the public-interest inquiry should focus on the market to be entered: the long distance market. The statute requires that “the requested authorization” be consistent with the public interest. 47 U.S.C. § 271(d)(3)(C). The “requested authorization” is to provide in-region, interLATA services. See

competitors using all three entry paths provided under the Act. See Taylor Decl. ¶¶ 39-41 & Att. A ¶ 1.

As described above, competition in Greenwich and Byram must be viewed in relation to the very few access lines that Verizon serves there. From this vantage point, competition in Greenwich and Byram is significant by any measure. Competitors in Greenwich and Byram serve approximately 2,500 lines, see Taylor Decl. ¶ 39, which based on the number of access lines in each state, is equivalent to 640,000 lines in New York and 260,000 lines in Massachusetts, see FCC ARMIS Database. Facilities-based competition — which both the Commission and the DOJ have found is the surest sign that local markets are irreversibly open<sup>75</sup> — is similarly well advanced in Greenwich and Byram. CLECs in Greenwich and Byram serve at least 550 lines over their own facilities, see Taylor Decl. ¶ 39, which is proportionally

---

id. § 271(b)(1). Therefore, the statute’s public-interest focus is clearly on the long distance market, not the local market. This reading finds strong support in section 271(c)(2)(B), which sets forth an intricate competitive checklist, and in section 271(d)(4), which states that “[t]he Commission may not . . . extend the terms used in the competitive checklist.” It is simply implausible that Congress would have spent countless hours honing the checklist, would further have enjoined the Commission from improving or expanding upon it, but somehow would also have authorized the Commission to add local competition-enhancing requirements in the context of its public-interest review.

<sup>75</sup> See, e.g., Affidavit of Marius Schwartz ¶ 174, Competitive Implications of Bell Operating Company Entry Into Long Distance Telecommunications Services (May 14, 1997), attached at Tab C to Evaluation of the United States Department of Justice, Application of SBC Communications Inc. et al. Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in the State of Oklahoma, CC Docket No. 97-121 (FCC filed May 16, 1997) (the fact that competitors have “commit[ted] significant irreversible investments to the market (sunk costs) signals their perception that the requisite cooperation from incumbents has been secured or that any future difficulties are manageable”); Promotion of Competitive Networks in Local Telecommunications Markets, Notice of Proposed Rulemaking and Notice of Inquiry in WT Docket No. 99-217, and Third Further Notice of Proposed Rulemaking in CC Docket No. 96-98, 14 FCC Rcd 12673, ¶ 4 (1999) (“[I]n the long term, the most substantial benefits to consumers will be achieved through facilities-based competition.”).

equivalent to 140,000 such lines in New York and 57,000 in Massachusetts, see FCC ARMIS Database.<sup>76</sup>

Verizon's service area in Connecticut also has attracted competition from a wide variety of CLECs, including one of the biggest CLECs in the country (WorldCom), several smaller ones (e.g., Network Plus, Cablevision), and resellers (e.g., CTC, Conversent). See Taylor Decl. Att. A ¶¶ 6-11. There are at least two competitors providing facilities-based service to business customers in Greenwich and Byram, and at least one competitor that uses its facilities to serve residential customers. See id. ¶¶ 40-41 & Att. A ¶ 1. DSL competition in Greenwich and Byram also is thriving, with at least four carriers providing this service. See id. ¶ 40. These DSL providers collectively serve about 350 lines, which in proportion to the number of access lines in each state represents more lines than existed in any of the states granted section 271 approval at the time applications were filed in those states. See Brief Att. A, Ex. 2.

Moreover, competitors are capable of serving significantly more customers than they currently do. Multiple competitors in Greenwich and Byram have already obtained collocation arrangements in both of Verizon's central offices there, and have access to all of Verizon's lines through these arrangements. See Taylor Decl. ¶ 41. Moreover, Cablevision — the incumbent cable operator in Greenwich and Byram — has already announced its intention "to provide facilities-based services to residential consumers" in Verizon's service area. See Cablevision Comments at 2-3.

---

<sup>76</sup> The extent of facilities-based competition in Greenwich and Byram is particularly striking since there are relatively few large businesses in Greenwich and Byram. Verizon serves almost exclusively residential and small business customers in Connecticut. Greenwich and Byram have only 61 Class A & B office buildings, four Fortune 1000 companies with offices there, and nine businesses with 150 employees or more. See Fairfield County Info. Exch., Fairfield County Connecticut Economic Profile 38-39, 40-42, 47 (Lisa Mercurio ed., Sept. 2000).

In addition, as experience in New York and Texas unambiguously proves, Verizon's entry into the long distance market will prompt still further local competition by forcing the long distance incumbents to finally get off the dime and enter Verizon's local markets. New York was the first state in which a Bell company received long distance relief, and it was the first state in which AT&T, WorldCom, and Sprint began extensively serving mass-market customers. See Taylor Decl. ¶ 34. Texas was the second state in which a Bell company received long distance relief, and it was the second state in which the long distance incumbents began extensively serving mass market customers. See id. ¶ 35. And in both New York and Texas, the long distance incumbents responded to impending BOC entry by rolling out new, lower-priced bundles of local and long distance service that typically are marketed uniquely to customers in those states. See id. ¶¶ 34-35. The long distance incumbents have made significant headway in marketing these bundles. In New York, for example, WorldCom has more than 400,000 mass-market customers, and AT&T — which began providing service about six months after WorldCom — has more than 620,000 mass-market customers. See id. ¶ 34. And these numbers are in addition to the literally hundreds of thousands of additional business lines served by each over their own facilities. AT&T has boasted that “[w]e’ve won more local customers in New York than we’ve lost residential long-distance customers to [Verizon].”<sup>77</sup>

Verizon's entry in New York has not only sparked increased competition from the long distance incumbents, but also has sparked added local competition across-the-board. In the first 12 months since Verizon's entry in New York, the number of local lines served by competitors there has increased by more than 100 percent, including a nearly 300-percent increase in UNE-

---

<sup>77</sup> See Reinhardt Krause, Verizon's New York Fight Key To AT&T Challenge, Investors' Bus. Daily, Aug. 15, 2000, at A6 (quoting AT&T spokesman, Gary Morgenstern).

Platform lines and a more than 45-percent increase in facilities-based lines. See Taylor Decl. ¶ 34; Brief Att. A, Ex. 4. There also has been a more than 170 percent increase in stand-alone loops, a more than 100 percent increase in collocation sites, and a more than 40 percent increase in interconnection trunks. See Taylor Decl. ¶ 34; Brief Att. A, Ex. 4. And in recent months, CLECs as a whole continued to add new customers rapidly. For example, in January and February 2001, CLECs in New York added approximately 200,000 new lines, including more than 130,000 through platforms and at least 70,000 using their own facilities. See Taylor Decl. ¶ 34; Brief Att. A, Ex. 4.

**B. Local Markets in Connecticut Will Remain Open After Verizon Obtains Section 271 Approval.**

Just as local markets in Greenwich and Byram are irreversibly open to the exact same extent as in New York, the mechanisms to ensure they stay open also are the same as in New York. Verizon reports its performance in Connecticut using the New York performance measurements.<sup>78</sup> Verizon also is subject to a performance assurance plan in Connecticut that puts at risk annually an amount directly proportionate to the plan adopted in New York and approved by the Commission.

As in New York, the process of opening local markets began in Connecticut even before the Act was enacted, and has continued since. In 1994, the Connecticut General Assembly passed Public Act 94-83, which opened all Connecticut telecommunications markets to competition and authorized the Connecticut DPUC to “regulate the provision of telecommunications services in the state in a manner designed to foster competition.” Conn. Stat. § 16-247f. Despite the small size of Verizon’s operations in Connecticut, the DPUC fully regulates Verizon’s provision of local service, just as it regulates SNET.

---

<sup>78</sup> Final DPUC Decision at 14.

For purposes of Verizon’s compliance with section 271, the Connecticut DPUC examined the exhaustive record developed in New York, and reviewed comments from numerous parties regarding Verizon’s Connecticut-specific performance. The New York PSC, as the Commission has recognized, is “one of the most rigorous, expert commissions in the nation” and has conducted its section 271 process with a combination of “dedicated work and unfailing persistence.” See New York Order ¶ 6; see also id. ¶¶ 7-15. Given Verizon’s limited presence as a Connecticut ILEC — Verizon serves nearly five times as many lines out of a single central office in Manhattan as it does in all of Greenwich and Byram — the DPUC’s decision to rely in large measure on the exhaustive New York record is sensible. See Kansas/Oklahoma Order ¶ 2.

All of the mechanisms that exist in New York to ensure that local markets remain open following section 271 approval therefore are replicated in Connecticut. First, Verizon’s UNE prices in Connecticut are the same prices that apply in New York and that the Commission has already found to be TELRIC-based. See Lacouture/Ruesterholz Decl. ¶ 15.<sup>79</sup> Moreover, those rates are subject to continuing review by the New York PSC, and the DPUC has directed that any changes to those rates will be applied in Byram and Greenwich. See Lacouture/Ruesterholz Decl. ¶ 15.

Second, Verizon reports its Connecticut performance under an extensive set of measurements that are identical to the measurements approved by the New York PSC. See Canny/Abesamis Decl. ¶ 12; New York Order ¶¶ 438-439; see also Final DPUC Decision at 14.

---

<sup>79</sup> See also NYPSC Evaluation at 156 (“In setting prices, the NYPSC has applied a forward-looking TELRIC method consistent with that prescribed in the FCC’s pricing rules.”); New York Order ¶ 238 (agreeing that New York proceedings “have resulted in a full suite of TELRIC rates”); *AT&T Corp. v. FCC*, 220 F.3d at 617 (“we are comfortable deferring to the Commission’s conclusion that basic TELRIC principles have not been violated”).

These standards require Verizon “to achieve excellent wholesale quality” that “exceeds the Checklist requirements in specificity and degree.”<sup>80</sup> As the Commission has found, these measurements allow regulators and competitors alike to monitor all aspects of Verizon’s wholesale performance, including “pre-ordering, ordering, provisioning, maintenance and repair, network performance (interconnection trunks), collocation, billing and operator services.” New York Order ¶ 431. Verizon is also subject to performance standards — either retail analogs or benchmarks — against which its performance is measured to ensure that it provides nondiscriminatory treatment to CLECs in Connecticut. These standards ensure that Verizon provides service to CLECs in “substantially the same time and manner” as the service it provides to its own retail operations. New York Order ¶¶ 44, 431.<sup>81</sup>

Third, Verizon is subject to a self-executing Performance Assurance Plan in Connecticut that mirrors the plan it adopted in New York, and which the Commission found provides “strong assurance that the local market will remain open after [Verizon] receives section 271 authorization.” New York Order ¶ 429; see Canny/Abesamis Decl. ¶ 15. On April 11, 2001, the DPUC approved Verizon’s Connecticut Plan and required Verizon to ensure that the Connecticut and New York Plans remain identical.<sup>82</sup> To that end, the DPUC ordered that it will “incorporat[e] any modifications to the New York PAP automatically into the Connecticut PAP,

---

<sup>80</sup> Order Adopting the Amended Performance Assurance Plan and Amended Change Control Plan at 31, Nos. 97-C-0271 & 00-C-0949 (NYPSC Nov. 3, 1999); NYPSC Evaluation at 3.

<sup>81</sup> In measuring performance, Verizon employs the statistical methodology that the Commission endorsed in its New York Order. See Canny/Abesamis Decl. ¶ 111; App. F, Tab 2, at Appendix K; compare New York Order App. B.

<sup>82</sup> See Final DPUC Decision at 14.

with the amount of monetary penalties for unsatisfactory performance being . . . scaled down in direct proportion to the number of access lines that Verizon serves in Connecticut.”<sup>83</sup>

Verizon’s Connecticut Performance Assurance Plan places more than \$1.49 million in annual bill credits at risk. See Canny/Abesamis Decl. ¶ 120; Final DPUC Decision at 14. This amount is proportionally equivalent — based on the relative number of lines — to the performance incentives approved in New York, which the Commission found provide “a meaningful incentive for [Verizon] to maintain high a level of performance.” New York Order ¶ 435; see also Texas Order ¶ 424 & n.1235 (approving performance plan with total liability “comparable to the [liability] . . . deemed adequate for [Verizon] in New York”). The Connecticut Plan also has exactly the same structure and allocation of bill credits as the New York Plan, which the Commission found is both “reasonably designed to detect and sanction poor performance when it occurs,” and “reasonably self-executing.” New York Order ¶¶ 440-441; Canny/Abesamis Decl. ¶¶ 118-120. For all these reasons, the Connecticut Plan, like the New York Plan, “require[s] [Verizon] to achieve service quality that . . . go well beyond the Checklist requirements.”<sup>84</sup>

Fourth, Verizon has extended its New York Change Control Assurance Plan, which the Commission reviewed and approved, to cover CLECs operating in Connecticut. See New York Order ¶ 437 n.1334. This Plan provides assurance that improvements to Verizon’s OSS software are implemented smoothly, without disrupting CLECs’ operations. See Canny/Abesamis Decl. ¶ 164. Verizon will make bill-credit amounts available to those CLECs operating only in

---

<sup>83</sup> Id. at 14-15.

<sup>84</sup> NYPSC Evaluation at 3.

Connecticut that are proportionately equivalent, on a per-line basis, to any amounts paid under this Plan to CLECs operating in New York. See id.

Finally, even aside from its own business interest in providing superior wholesale service in order to encourage other carriers to use its network, Verizon also is subject to a host of additional safeguards and remedial measures that provide abundant protection against the possibility of anticompetitive conduct. For example, competing carriers still have recourse to the appropriate regulatory and judicial forums to enforce their legal or contractual rights. Likewise, the Commission itself retains the ability to enforce the requirements of section 271 with penalties, up to and including possible revocation of long distance authority under section 271(d)(6)(A)(i). And it already has made clear that it will not hesitate to invoke that authority.

**C. Verizon's Entry Will Increase Long Distance Competition.**

According to a recent report by two of the nation's major consumer groups, Verizon's entry in New York has enabled consumers in that state to obtain rate reductions of 20 percent for local and long distance service.<sup>85</sup> This confirms an earlier study by another consumer group, which calculated that Verizon's entry into the long distance market in New York would save the consumers switching to Verizon's service up to *\$120 million per year*.<sup>86</sup> And based on the most current facts, Dr. William Taylor has estimated that consumers in New York have saved nearly \$200 million following Verizon's long distance entry in New York. See Taylor Decl. ¶ 19.

---

<sup>85</sup> See Consumer Fed'n of Am. and Consumers Union, Lessons from 1996 Telecommunications Act: Deregulation Before Meaningful Competition Spells Consumer Disaster 9-10 (Feb. 2001).

<sup>86</sup> See Telecommunications Res. & Action Ctr., A Study of Telephone Competition in New York (Sept. 6, 2000) ("TRAC Study") (Taylor Decl. Att. C).

Verizon's entry will undoubtedly have the same pro-competitive effects in Connecticut that it has had in New York, because Verizon will offer equally attractive rates in Connecticut.<sup>87</sup> When Verizon entered the long distance market in January 2000, it introduced simpler and less expensive calling plans than most other carriers, particularly the big three long distance incumbents. See Taylor Decl. Att. B ¶ 2. Verizon has several calling plans with both very attractive per-minute rates and no monthly calling plan fees, as well as plans with no minimum charges. See id. Verizon also offered pre-paid calling plans with some of the lowest rates in the industry. See id. And it offered calling plans with longer off-peak hours than the industry norm at the time (5 p.m. to 8 a.m. instead of 7 p.m. to 7 a.m.). See id. About 92 percent of the customers who had at least one interLATA call would have a lower bill by subscribing to the lowest-cost Verizon calling plan than by subscribing to the lowest-cost calling plan from the big three long distance incumbents. See id. ¶ 19.

Verizon's calling plans have been particularly attractive for the low-volume customers that the long distance incumbents historically have tried to discard or ignore.<sup>88</sup> For example, not only does Verizon offer a number of plans with no monthly minimum and no calling plan fee, but it also automatically enrolls all of its customers in a lower-cost calling plan (known as its Timeless plan) if they fail to choose a plan. The Timeless plan is particularly attractive for low-

---

<sup>87</sup> Moreover, Verizon's real-world experience in New York puts to rest once and for all the claims that the long distance incumbents have rehashed for more than 15 years — based on nothing more than far-fetched theories and hyperbole — that Bell company entry into long distance would have adverse competitive effects. The Commission has already determined that such claims have no place in the review of a section 271 application. See New York Order ¶ 428; see also Texas Order ¶ 419. In the event that the long distance incumbents nevertheless repeat these claims, the Declaration of William Taylor again explains why they are groundless. See Taylor Decl. ¶¶ 44-73.

<sup>88</sup> See, e.g., Low-Volume Long-Distance Users, Notice of Inquiry, 15 FCC Rcd 6298 (1999).

volume users because it offers a flat, low rate of 10 cents per minute with no monthly calling plan fees or minimum usage fees. See Taylor Decl. Att. B ¶ 6. In contrast, the long distance incumbents require customers who do not enroll in a plan to pay relatively higher “basic” rates, or they put those customers in default plans with rates considerably higher than their most popular calling plans. See id. ¶ 45 & Att. B ¶ 1. And, even when the long distance incumbents do offer a flat-rate plan (i.e., with no monthly plan fee or minimum usage fee) that might otherwise be attractive to low-volume users, their rates typically are substantially higher than those offered by Verizon. For example, AT&T’s cheapest flat-rate plan is its “AT&T One Rate Basic,” which offers a flat rate of 16 cents per minute — *60 percent more expensive* than Verizon’s Timeless plan. See id. Att. B ¶ 7.<sup>89</sup>

Both in anticipation of and in response to Verizon’s entry into the long distance market, the incumbent long distance carriers have been forced to introduce special, lower-priced bundled services offerings to customers in New York. See Taylor Decl. ¶ 34. For example, WorldCom has rolled out a new “One Company Advantage” plan under which its customers receive unlimited local and long distance calls for 7 cents a minute, plus 200 free minutes of long distance calling. See id. Att. B ¶ 15. In contrast, its flagship national plan charges nearly 14 cents per minute for in-state long distance. See id. Likewise, AT&T introduced its “AT&T Local One Rate New York” package, which includes reduced rates of 7 cents per minute for interstate calls and 10 cents per minute for in-state calls, and which drops the monthly fee associated with AT&T’s most comparable national plan. See id. Att. B ¶ 16.

---

<sup>89</sup> See AT&T News Release, AT&T Radically Redesigns Basic Residential Calling Plan; Introduces New Family of No-Fee Offers; Lowers Prices for Low-Volume Callers, June 23, 2000.

As this experience makes clear, Verizon's entry not only has promoted additional local competition, but it also has produced substantial competitive benefits for long distance and bundled services packages. Consumers in Connecticut are now entitled to the same benefits.

## CONCLUSION

Verizon's Application to provide interLATA service originating in Connecticut should be granted.

Respectfully submitted,



Michael E. Glover  
Karen Zacharia  
Leslie A. Vial  
Donna M. Epps  
Joseph DiBella  
Verizon  
1320 North Court House Road  
Eighth Floor  
Arlington, Virginia 22201  
(703) 974-2944

Mark L. Evans  
Evan T. Leo  
Scott H. Angstreich  
Kellogg, Huber, Hansen, Todd &  
Evans, P.L.L.C.  
Sumner Square.  
1615 M Street, N.W.  
Suite 400  
Washington, D.C. 20036  
(202) 326-7900

James G. Pachulski  
TechNet Law Group, P.C.  
1100 New York Avenue, N.W.  
Suite 365  
Washington, D.C. 20005  
(202) 589-0120

Sandra Thorn  
Verizon New York  
1095 Avenue of the Americas  
Room 345  
New York, New York 10036  
(212) 395-6515





## Exhibit 1. Verizon's Checklist Compliance Under the 1996 Act

### § 271 Checklist

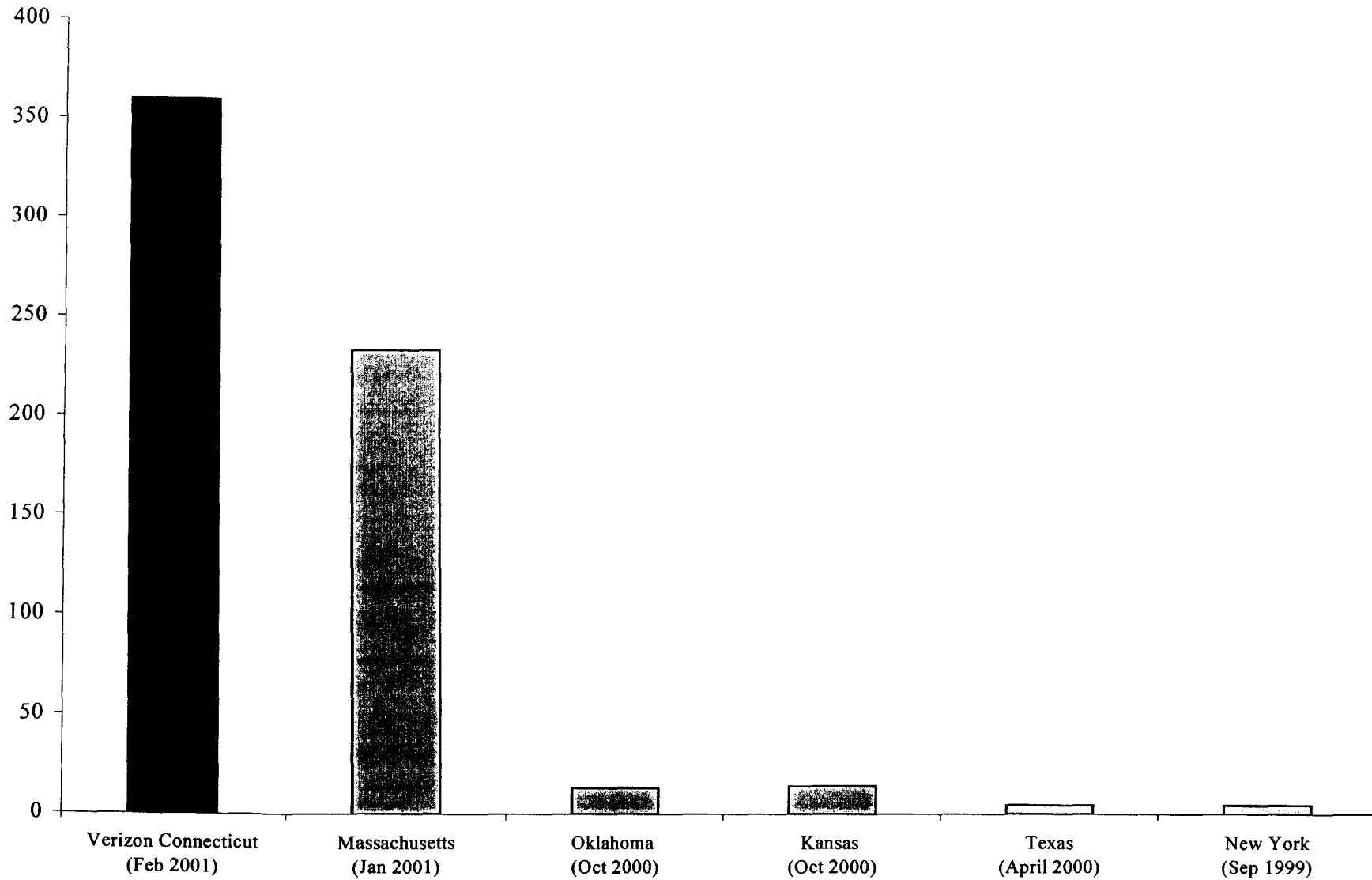
1. Interconnection	⇒	More than 1,000 trunks More than 25 collocation arrangements Approximately 550 facilities-based CLEC lines
2. Unbundled Network Elements	⇒	New York OSS and interfaces; New York rates
3. Poles, Ducts, Conduits, and Rights of Way	⇒	Approximately 90,000 feet of conduit More than 8,300 pole attachments (including poles and conduit provided to cable operators and other utilities in addition to CLECs)
4. Local Loops	⇒	Approximately 635 unbundled loops (including more than 350 DSL loops)
5. Transport	⇒	4 unbundled dedicated local transport facilities Dark fiber transport and unbundled shared transport available under interconnection agreements, tariffs, and the SGAT
6. Switching	⇒	Available under interconnection agreements, tariffs, and the SGAT using the same systems and processes as in New York
7. 911/E911/DA/Operator Services	⇒	Same processes and procedures for DA and OS as in New York 1 CLEC with arrangements to purchase DA; 1 CLEC with arrangements to purchase OS Access to 911/E911 services available under interconnection agreements, tariffs, and the SGAT
8. White Pages	⇒	Approximately 460 listings provided
9. Numbering Administration	⇒	15 NXX codes
10. Databases/Signaling	⇒	Same processes and procedures as in New York 1 CLEC with arrangements to access the Toll-Free Database
11. Number Portability	⇒	Approximately 550 numbers ported via LNP
12. Dialing Parity	⇒	Local dialing parity provided throughout Greenwich and Byram
13. Reciprocal Compensation	⇒	Available under interconnection agreements and the SGAT, using the same processes and procedures as in New York
14. Resale	⇒	Approximately 2,000 resold lines



## Exhibit 2. Proportionate CLEC DSL Lines at Time of Application

Note: Numbers have been adjusted relative to the number of BOC access lines.

VZ-CT (2000): 60,000; VZ-MA (2000): 6.2 mil; SWBT-OK (2000): 2.0 mil; SWBT-KS (2000): 1.7 mil;  
SWBT-TX (2000): 12.6 mil; VZ-NY (1999): 14.1 mil. (ARMIS 2000 Database)



Sources: Verizon internal data; SBC Kansas/Oklahoma Application, Dysart Aff., Atts. C & D; SBC Texas Application, Chapman Aff. ¶ 4.

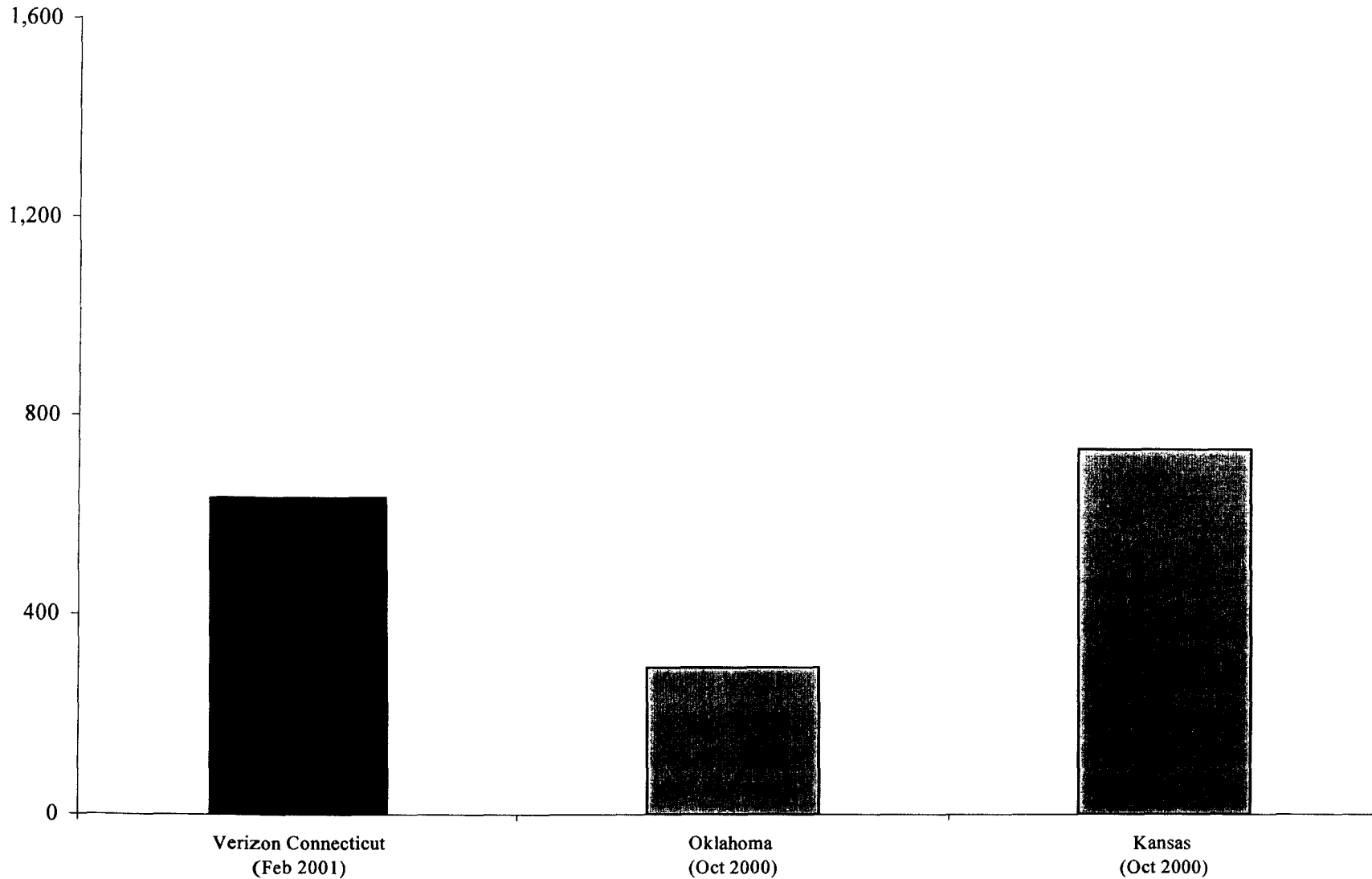


### Exhibit 3. Proportionate CLEC Unbundled Loops at Time of Application

Note: Numbers have been adjusted relative to the number of BOC access lines.

VZ-CT (2000): 60,000; SWBT-OK (2000): 2.0 mil; SWBT-KS (2000): 1.7 mil.

(ARMIS 2000 Database)



Sources: SBC Kansas/Oklahoma Application, Smith-Johnson Aff., Att. A.

